TURNING A NEW APPROACH FOR COOPERATIVE DEVELOPMENT IN JUNIOR HIGH SCHOOL: CONCEPTS, EVIDENCE, AND BEST PRACTICE MODEL

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Article History: Received on 15th February 2019, Revised on 24th March 2019, Published on 19th August 2019

Abstract

Purpose: Cooperatives nowadays have become an alternative to the large-scale corporate entity as well as to independent unaffiliated small private business model. This article presents a depth modelling narrative on cooperative organizational forms’ development in business-school model. This speaks to issues of both developments of cooperatives in educational institutions and how it will have linked to schools’ entity as part of human resource development and organizational reforms.

Methodology: The case is made based on the findings of Brog and Gall which construct in two stages of activity. The first stage is a model development which is based on observation of the initial model based on related theories. The second stage is enhancing social and economic model of cooperatives at the school to validate the remaining rules and regulations. Regarding cooperatives’ development, the theory says institutional framework and design analysis does matter as the critical points for development and sustainability of cooperative at the school now and the future.

Results: Therefore, finding the best formula for cooperative in the educational organization deserve a huge attention for academician, practitioners as well as government. In addition, the implementation and practice of cooperative at the school will fit business-school model and create greater impact for school’s members. Overall, finding a new approach will generate the development of cooperatives to the next level.

Keywords: Economic Model, School Cooperative, School Committee, Junior high school, Indonesia

INTRODUCTION

Since the Indonesian economy has grown into a positive direction, a worrying economic phenomenon has just begun: over 30% of all cooperatives in Indonesia are no longer active. This is a highly unfortunate trend, seeing as cooperatives were once among the economic pillars of the country. In fact, more than 152,000 cooperatives are still active and manage operations around the country. But, the saddest thing, the degradation occurs every year.

Historically, Moh. Hatta as one of the founding fathers of this country had envisioned cooperatives as the central economic unit by which the people could gain prosperity (Grabowski, 2011). This could be seen from the provision of Article 33 of the 1945 Constitution of Indonesia which states that the economy shall be organized as a common endeavour based on principles of the togetherness (Pemerintah, 1945). All these characteristics are exemplified in the underlying principles of cooperatives: it thrives based on the collective efforts of the unit and it is built on the values of togetherness among its members.

Figure 1. Number of cooperative in Indonesia, 2010-June 2017
In accordance with the role of the global economy, the contributions and benefits of cooperatives should not be forgotten in Indonesian economic structure. In this case, the government should strive to make a tangible contribution to the development of cooperatives in Indonesia.

Reflecting on history, according to Sukoco (1998) the first legal cooperative in Indonesia was a cooperative in Leuwiliang, established on December 16, 1895. In the course of history, the cooperatives keep growing and able to clarify the position of cooperatives in the financial services business, which distinguishes whether the cooperatives are in the monetary sector or the real sector.

The establishment of cooperatives is basically directed to the partisanship of the people's economy. The law no. 25 The year 1992 defines the cooperative as a business entity consisting of a person or a legal cooperative entity which put the basis of its activities on the principle of cooperatives as well as a people's economic movement based on the principle of familial values (Government, 1992).

Up to these days, cooperatives development efforts in Indonesia has always been the target of government attention. Based on data from the Ministry of Cooperatives and SMEs, in 2015, the number of cooperatives in Indonesia was 212,100-unit in which 70% of them are in active status. The total numbers of members of the cooperative are estimated to total 37.7 million people with the volume of business reaching the value of 266 Trillion with the Operating Results (SHU) reached 17.3 Trillion.

Globally, International Cooperative Alliance (ICA; established in 1896 in London) recorded that in 2014 cooperative generates a turnover of 2.2 T USD and absorbs 250 million workers or about 12 percent of the total working population.

The role of cooperatives as a driving force of national economy is vital especially in the dynamics of the global economy where the country faces increasingly complex challenges (Kaur and Singh, 2016; Bahrin et al., 2018; Bazmi and Javed, 2018). Although the existence of cooperatives in Indonesia has been supported by the 1945 Constitution, to be exact on 33 regarding the national economic system, but its performance has not been satisfactory. Furthermore, the cooperative is seen as more of a social entity than the economic entity and its value is considered lower than large non-cooperative companies (Tambunan, 2007; Bosupeng, 2018; Brown and Ozar, 2018). This practice is different from cooperatives in other countries such as Western Europe and the United States where cooperatives are not deemed inferior compared to large non-cooperative enterprises (Tulus, 2013).

The cooperatives’ involvement as an economic operator in the global supply chain has begun since 1844. In 1844, the founders of the Rochdale Equitable Pioneers Society offered tea to consumers in their cooperatives and in 1902 the Cooperative Wholesale Society (CWS) was established for retail cooperatives’ products in the UK then later acquired the first tea plantation in Sri Lanka as a way to vertically integrate its operations through the global supply chain (Association, 2016).

Furthermore, the business model of cooperatives was born as a way to shorten the supply chain, eliminating intermediaries, either by combining producers (e.g cooperatives agricultural farmers) or consumers (e.g consumer-owned food retailers). In addition to the aggregation of producers, workers or consumers, cooperatives in different sectors of the economy tried to vertically integrate their business as a way to shorten the supply chain and increase the efficiency and benefits for its members (Mapp and Moore, 2015).
The main difference between cooperatives and other business models in terms of supply chain interventions is that cooperatives integrate the values and principles of cooperatives to entities in the supply chain, and do not act merely to take economic advantages.

Cooperatives as business organizations of its own owners or members are also the main customers of the company (identity criteria). The identity criterion of a cooperative will be a proposition or identity principle that distinguishes cooperative business units from other business units (Agostino, 2017). The cooperative organization is formed by a group of people managing joint companies who are tasked with supporting the individual economic activities of its members (Okem, 2017). The cooperative is an autonomous organization within the socio-economic environment that benefits the officers, leaders and every member (Klagge and Meister, 2018). The caretaker and leader formulate their goals autonomously and strive to reach those objectives through the economic activities that are carried out collectively (Hanel, 1989).

In Indonesia, according to the act number 25 Year 1992 Article 1, a cooperative is a business entity consisting of individual or legal entity which put the basis of its activities based on the principle of cooperatives as well as people's economic movement based on the principle of kinship (Sukidjo et al., 2016). Cooperative is a people's economic movement based on the principle of kinship. The fundamental aspect of the cooperative is cooperation, which together with its members and the officers is to actualize the welfare of the members and society and to build the order of the national economy (Kyazze et al., 2017). As a people's economic movement, the cooperative belongs not only to the rich but also to the entire people of Indonesia without exception.

The development of cooperatives in Indonesia is not achieved from the bottom (bottom up) but from the top (top-down), meaning that, in Indonesia, the cooperative was not developed from the public awareness, but emerged from the government support that was socialized to the people. Cooperative is supposed to be formed because of the awareness of the community to help each other, meet the needs and to prosper each other which is the purpose of the cooperative itself so that the government should only remain as a constructive supporter. In Indonesia, the governments work twice as hard not only to support but also to socialize so that people become aware of the benefits and goals of the cooperatives.

Schools as educational incubators should be able to be a place for education, teaching, and character building, cultivation of moral values, and quality improvement in human resource management. Schools are the organization that gains input from the environment, perform the transformation process, and then generates the output. This system model is an open system model that views organizations not only influenced by the environment but also depends on the organization itself (Hoy and Miskel, 2001).

One part of the school organization is school cooperatives and school committees. School’s Cooperative as one model of the economy is considered capable of being a means of learning as well as the fulfilment of economic needs that have a direct impact on the development of an educational-based economy.

![Figure 3. The Capital-Based Cooperatives Development on 2012-2017, Source: (The Ministry of Cooperative and SME, 2017)](image-url)

The objective of cooperatives in Indonesia in accordance with Article 3 of Act Number 25 Year 1992 is to improve the welfare of the members, to improve the welfare of the community and participate in building the Indonesia's economic
Community independence should be established from an early age through the school institution by nurturing independence character. It is expected that the students could be responsible and confident and able to solve problems, either personal or others. School is one of the institutions that are responsible for developing self-reliance behavior that will be realized through the School Cooperative. The Government of the Republic of Indonesia through the Ministry of Education and Culture states that the school cooperative is a cooperative whose members are students of the primary and secondary school or school / educational institution of the same level, both public and private (Government, 1984).

School cooperatives play a role in various sectors including: first, as one of the places in learning entrepreneurship for the students so that they will have entrepreneurship skills. The second is to develop the students’ sense of responsibility, discipline, loyalty and democratic spirit. The third is to support development programs in business sectors through school education programs. The fourth is to foster a sense of responsibility, discipline, loyalty, and entrepreneurial spirit. The fifth is to increase the cooperatives and entrepreneurs knowledge and skills so that later they will be useful in society (Sudarsono, 2010; Silvia, 2014). Therefore, the establishment of school cooperatives can support educational objectives and government programs in instilling awareness of cooperatives early on.

School cooperatives have value and strategic potential to increase the value of independence as well as fostering entrepreneurial spirit from an early age. The development of entrepreneurship cannot be done instantly. The mental attitude of entrepreneurship requires real touch, to hone all internal potential individually. The development of entrepreneurship is also in accordance with the purpose of establishing cooperatives. When school cooperatives are truly perceived by students as a vessel that can train them in the future, entrepreneur interest can also arise when the students are trained in the school cooperatives.

Another factor of nurturing the entrepreneurial spirit is delivered by Priambodo (2006) where school cooperative has strategic and potential value and could be the main actor to overcome the problem of expansion of workmanship and to nurture new entrepreneurs. Through school cooperative activities, elementary, junior and senior high school graduates who are not continuing their education, are prepared to have an alternative to be job seekers or to be entrepreneurs. The strategic location of the school cooperative is realized in the form of early preparation of mental and entrepreneurial spirit of the child since elementary school, providing an alternative to being job seeker or a person who creates work as an entrepreneur. The existence of school cooperatives can be used as a vehicle for cooperative learning and seeks to hone and develop entrepreneurial potential. If we look at the existing programs in our neighboring country, Malaysia, the cooperative is placed as the third source to generate income for the country. Therefore they formed a systematic cooperative movement in a program called The Pillar of State Cooperative (DKN) from 2006-2010. There are strategic steps indicator in this program that is fundamentally designed called introduction, assessment, and application of cooperative curriculum in schools, beginning with the philosophy, reading material, and its direct application.

Cooperatives nowadays still need to be developed in order to compete with the development of other private businesses, and that is why it should be an ideal educational entrepreneurship in schools. The problems faced by cooperatives, especially the aspect of balance, business and capital aspects, operational capital for cooperatives is very important and needs to get the attention of all stakeholders. The classical constraint is on the availability of capital (Szabo, 2016). However, the capital should be adjusted to the operational needs of the cooperative and if there exists a shortage of working capital the cooperatives will ultimately experience developmental stagnation (Kabiraj and Chattopadhyay, 2016) because of that the school cooperatives must be careful in managing capital.

Business activities that can be carried out by cooperatives in schools, among others, carry out store business, cafeteria, procurement of school equipment, procurement of uniforms, procurement of laboratory equipment and savings and loan activities.

In order to strengthen the existence of school cooperative, its implementation needs to embrace school committee. The School Committee is an independent body that facilitates the participation of the community in the context of improving the quality, equality and efficiency of education management in educational units both in preschool education, formal education and out-of-school education (Sri Wardiah, 2015). Empowering school committees in school cooperatives should be an alternative in the school development. In addition, this step is taken as a form of supervision to all school members in order to achieve a school management that fulfills the aspects of transparency, accountability, and integrity.

Referring to the regulation No. 20 the year 2003, Junior High School is the primary level of formal education in Indonesia after completing elementary education. Generally 13-15 years old. According to piaget, at the age of more than 11, students can handle hypothetical situations, think more logically, and do not rely on things that are real. Based on the arguments, the researcher felt that it is important to develop a model of the economy for junior high school cooperative through the enhancement of the role of the school committee.
RESEARCH METHODOLOGY

This research employed Research & Development method proposed by Borg and Gall. There are ten steps in Borg and Gall development(1989), (1) research and information gathering, (2) planning, (3) develop primary form of product, (4) preliminary field-testing, (5) main product revision, (6) main field-testing, (7) operational product revision (8) operational field-testing, (9) final product revision, (10) dissemination and implementation(Gall, Gall, & Borg, 2003). In this research, the mentioned steps were conducted within two stages, they are The first stage: model development, based on data obtained at the initial model seminar, designing early models, conducting comparative studies, revising, and generating models of cooperative school economy by enhancing the role of school committees. The second stage: socializing the model of the school cooperative economy, piloting models, validating and revising the model, and implementing the model.

RESULTS AND DISCUSSION

Basically, an independent school operation in education is a goal for every school in improving the quality of education. Through the emergence of schools’ independence, all components of education will perform their duties and functions in accordance with their respective responsibilities both professionally and proportionally. The expected condition has not been achieved due to several variables including all components of education in schools must understand their respective duties and functions, principal leadership, teacher professionalism, school management, and real community support.

School cooperatives need to be developed in order to be an ideal schools entrepreneurship (Prillia Sari, 2013; Haryana et al., 2015). School cooperatives need to have an appeal as a means of pooling the economic potential of their members and distributed within the scope of the school. One of the efforts to promote cooperative appeal is through technology.

School cooperative as a forum for cooperative education and as well as economic activities from, by, and for the students, then its existence needs to be developed (Hartatik, n.d). It needs the active roles of the school components: principals, school committees, parents, and the community. Principals can play a role in creating a climate and conditions that encourage the growth of school cooperatives, providing guidance, amenity, and protection toward the school cooperatives, and are responsible for the well-run school cooperatives.

At the government level, school cooperatives counselling can be done by establishing policies to provide guidance, supervision, protection, and facilities for school cooperatives, to facilitate the provision of school equipment and other facilities, and to facilitate and assist in capital issues. the teachers can also play a role in the development of a school cooperative such as by directing school cooperatives’ activities in accordance with its objectives, providing practical steps in running school cooperatives, providing practical advice, and consultation assistance on issues faced by school cooperatives, and taking full responsibility for the implementation of school cooperative business activities.

Several things can be done to develop school cooperatives. From an institutional perspective, an inventory and identification (mapping) of existing school cooperatives is needed to establish the next technical policy program. In the context of regional autonomy, the relevant officials need to provide proportional authority in establishing the school cooperative as a legal entity under one roof in accordance with their respective competence (according to their professional area). In terms of productivity and efficiency, efforts to encourage the productivity development and efficiency of school cooperatives need to cooperate with other cooperatives in the sectors of production and distribution. Indicator the normal conditions, school cooperatives can be given a greater role in the service and trade sector in accordance with market mechanisms. The enhancement of these roles needs the support of both government and businesses to provide facilities in development, facilities/infrastructure, school committees and partnerships of school cooperatives.

Empowerment and improvement of the school committee’s functions can be done by fostering cooperation with the community. With the synergy between the school committee and the school is expected to create a shared responsibility between the community (guardian) and the school as partners in establishing education. The role of the school committee as a mediator to train the students’ skills and entrepreneurship can be realized by forming a cooperative as one of the places to train entrepreneurial students. In addition, the positive impacts of cooperative formation initiated by the school committee can help the students with limited income. Later, the income from the established cooperatives is expected to be used to meet the needs of the students such as books, uniforms and other components in the learning process.

The specific objectives of the school committee's role in shaping the economy of the junior high school cooperatives include: providing media for learning, supporting, controlling, and evaluating. These conditions will be used as materials to develop and implement the Model of Economics of Junior high school cooperatives through the improvement of the role of school committees, which will affect the quality of the students and schools as a whole.

The role of school committees that are vital in the development of the quality of education requires the contribution of school committees as advisors, supporters, controllers, and mediators for fundraising. The role needs to be supported by the participation of the school committees in developing the activities and productivity of the cooperative, meaning that the school committee is the driving force of the economy and the pioneer of the entrepreneurial world in the context of students’ progress in the learning process. In line with this statement, the success of schools to get assistance from the
community is an effort that can reduce the expenditure of school funds. The funds can be used for other purposes that can improve school effectiveness (Siahaan, 2006).

The implementation of the role and function of the school committee will place the school committee in a very strategic position to promote and improve the quality of education. The strategy of improving the quality of education through the school committee is focused on the empowerment of the community (students’ guardian) itself. By optimizing the role of the school committee, it will provide guarantees of community involvement (students’ guardian) in supporting the education process.

Given the importance of the role and function of school committees, the establishment of school committee organizations must be transparent, accountable and democratic. Transparent means that the school committee should be openly formed and known to the public, starting from the preparation stage of the preparatory committee, the socialization process by the preparatory committee, the criteria of the candidate, the selection process of candidate members, the announcement of the candidate members, the election process, and the delivery of election results. Accountable means that the preparatory committee should submit a report of its performance accountability as well as the use of the committee funds. Democratic is in the process of selecting members and administrators. It has to be conducted through consensus.

The school committee in carrying out its duties and functions holds the principle of participation in mutual cooperation, transparency which means to provide clarity and accountability to the program. These three principles are part of the cooperative economic principles that put forward the principle of mutual cooperation which in the process of implementation is based on the principle of independence and flexibility through the school education community.

Based on the statement, the role of the school committee can be described as follows.

Table 1. The indicators of school committee operational conduct

<table>
<thead>
<tr>
<th>The Role of School Committee</th>
<th>Functional Management Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advisory Agency</strong></td>
<td>1. School Planning (School Work Plan, Annual Work Plan, Activity and Budget planning)</td>
</tr>
<tr>
<td>2. Program implementation:</td>
<td>a. Curriculum</td>
</tr>
<tr>
<td>3. Educational resource management:</td>
<td>b. Teaching and learning activities</td>
</tr>
<tr>
<td>4. Evaluation</td>
<td>c. Budget</td>
</tr>
<tr>
<td><strong>Supporting Agency</strong></td>
<td>1. Resources management</td>
</tr>
<tr>
<td><strong>Controlling Agency</strong></td>
<td>1. Controlling the education planning of the school</td>
</tr>
<tr>
<td>2. Observing the Implementation of school programs</td>
<td>3. Observing Educational Output</td>
</tr>
<tr>
<td><strong>Mediator Agency</strong></td>
<td>1. Planning</td>
</tr>
</tbody>
</table>

School committee is established as part of the implementation of School-Based Management (SBM). School-Based Management can improve the quality of teaching and learning and operational efficiency of education, as well as political goals, especially democracy in schools (Permadi, 2001; Brown and Ozar, 2018; Bugu and Yucheng, 2018; Caifen et al., 2018). In MBS, schools have the authority to manage themselves. This management is carried out with transparency, participation, and accountability. It means that in the management of schools, the boards of educators, especially principals work together with the community. Therefore, a forum that can be used by the community to carry out the mandate is needed. The forum is a school committee.

The Increase of efficiency is achieved through increased human resources, community participation, and simplification of bureaucracy. Quality improvement is achieved through community participation, the flexibility of school management, improvement of teacher professionalism, the existence of rewards and sanctions as punishment and other things that can grow a conducive atmosphere of the schools (Mulyasa, 2006).

A democratic decision-making process is one of the conditions for being able to apply SBM to schools that embrace this system. This needs to be applied, because SBM not only belongs to the school but part of the community that has an interest in the community itself.

Based on figure 1, the development of a cooperative economic model through the improvement of the committee's role begins from the school committee which is an independent body that accommodates the participation of the community in
order to improve the quality, equity, and efficiency of educational management in educational units. The school committee through its role as a Supporting Agency is employed in resource management, facilities and infrastructure management, and budget management, which is then continued from school to the students’ guardian. The role of a school committee that serves as a Transportation or Mediator Agency in which the school committee becomes a school liaison with the community, the education agency, and the business world in this case planning, implementation, program, and resources management. Furthermore, the students’ guardians are given guidance, debriefing, training, and capital funding to prepare and produce entrepreneur spirit which then packed and given a place by the school committee in the form of planning the school cooperative establishment.

CONCLUSION

The development of school cooperatives required a holistic school system or model of development with a systematic supervision system and open to the involvement of various components. Thus it will help the cooperative to be more professional, independent and able to compete. School cooperatives can be further developed and be more professional in carrying out their duties. School cooperatives are intended as a means of the school education toward practical activities to fulfil economic needs among students and develop a sense of responsibility, discipline, confidence, leadership, creativity, and the democratic soul of the students. School cooperatives need more initiative and creativity to advance the Indonesian cooperative, especially within the scope of the school. Schools, governments, together with school committees and stakeholders can be creative Indicator supporting the school cooperatives to achieve common goals in advancing Indonesian cooperatives.

![Figure 4: The prototype of school cooperative development](image)

REFERENCES


